

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

July 25, 2018

MOTOR CARRIER MATTER

☐

DOCKET NO.

2018-205-E

UTILITIES MATTER

☒

ORDER NO.

SUBJECT:

DOCKET NO. 2018-205-E - Petition of Duke Energy Progress, LLC for an Accounting Order to Defer Certain Capital and Operating Expenses – Staff Presents for Commission Consideration Duke Energy Progress, LLC's Petition for an Accounting Order to Defer Certain Capital and Operating Expenses.

COMMISSION ACTION:

Move that we grant the request to defer into a regulatory asset account the incremental operating and maintenance expense and the depreciation expense incurred once the Advanced Metering Infrastructure technology (AMI) meters are installed, as well as the associated carrying costs on the investment and deferred costs at its weighted average cost of capital. The amount to be deferred is approximately \$1.4 million on a South Carolina Retail basis estimated through mid-2019. I would also move that we grant the Company's request to retain the book value of non-AMI meters in the amount of \$6.1 million in a regulatory asset account.

Regarding the Company's request to defer costs associated with the Company's customer connect program, I move that we approve the Company's request to defer in a regulatory asset account the incremental operating expenses and carrying costs on deferred amounts related to the deployment of this program. The estimated amount of the deferral is \$1.8 million on a South Carolina Retail basis through mid-2019.

I would also request that we approve the Company's motion to defer incremental depreciation expense associated with the Company's new depreciation study of approximately \$8.5 million on a South Carolina retail basis estimated through mid-2019. The impact of the new study on the Company's South Carolina Retail operations indicated an annual increase in depreciation expense of approximately \$6.6 million.

Furthermore, I move that we approve the Company's request to continue to amortize the expense approved in Order No. 2016-871 associated with North Carolina excess deferred income taxes set to expire on December 31, 2018. The Company's request would continue the credit through no later than June 30, 2019.

I would note that ORS does not object to the Company's Petition. Approval of the Company's request will not involve a change to any retail rates or prices and does not preclude raising these issues in subsequent proceedings.

	MOTION	YES	NO	OTHER
ELAM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
ERVIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WILLIAMS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u> Military Leave

(SEAL)

RECORDED BY: J. Schmieding

